MPIC/TDS/D-777-67 08 March 1967

	MEMORANDUM PO	R:	Director, National Photographic Interpretation Center		
	THROUGH	:	Chief, Support Staff		
	SUBJECT	*	2	25X1A	
	REFERENCE	2	Chief, Administrative Staff, O/DDI Memorandum dated 4 Pebruary 1964 on: "Approval of Research & Development Activities."		
	Funds and the & Financial B	refo rand	quest involves utilization of residual FY 1964 & 1965 ore does not concern current year expenditures. The Budget in of NPIC has affirmed the FY 1964 & 1965 funds will be so overrun payment.		
	duction of 3 (Chip	Comparators. This contract was subsequently assended	25X1A	
-	centive contra	act	itional Chip Comparators. This was a Fixed Price In- with a ceiling of as amended. The Contract ludes Fixed Price Proprietary Items in the amount of	25X1A	
25X1A 25X1A	Profit of The Procurement Division negotiated a contract Calling Price to limit any possible increase in costs. If the contractor, through an increase in his costs exceeds the negotiated target cost the				
25X1A	Government con	st æ	hards the costs on a 80/20 basis until the cailing of ached.		
25X1A	3.		has submitted a request for an increase in costs		
25X1A 25X1A	in the amount ments share of		Based on the cost sharing plan, the Govern-		
25X1A	and delivered ometers. As a	but re	pment called for under this contract has been fabricated rejected due to instability and failure of the interfersult, has performed a detailed analysis on and has modified one complete system and returned it to	• •	
DECLA	SS REVIEW by	NIM.	A/DOD		

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Excluded from automatic developments and developmention

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	Subject:	25X1A				
	WPIC for evaluation. The remaining interferometers have all been returned to the contractor for reworking, subject to the evaluation of the modified system now at NPIC. The additional funds requested are to cover the necessary activities to reinstall and align the equipment, perform the necessary adjustments to set up the equipment, and like activities. There are no costs involved for any interferometer modifications or previous actions with respect to the interferometers themselves. 5. In order to maintain continuity in the final stages of this equip-					
	ment development and to insure delivery and acceptability of the parators, MPIC recommends that payment of this increase in cost	e Chip Com- s be made.				
	6. In accordance with the cost sharing clause of the cont requested that the increase in costs of for the Chip be approved and charged against FY 1964 & 1965 funds.					
•	Assistant for Technical Develop	25X1A				
	APPROVED: ARTHUR C. LUNDAHL Date Director, %PIC	dhuddhan bahagaddan adhana me uru				
	Distribution: Orig & 1 - NPIC/SS/LB 1 - NPIC/A/TD 3 - MPIC/TD/DS					
25X1A	MPIC/TDS/DS: (4 Apr. 67)					

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